



Staff Report

Agenda Item: **PUBLIC HEARING REGARDING THE FISCAL YEAR 2009-2010 PRIMARY TAX LEVY AND FINAL BUDGET-** A hearing to receive public input regarding the Town of Clarkdale's proposed primary tax levy, property tax collection, and final budget for fiscal year 2009-2010.

Staff Contact: Kathy Bainbridge, Finance Director/Town Clerk

Meeting Date: July 28, 2009

Background: In compliance with Section 42-17107, Arizona Revised Statutes, the Town of Clarkdale has notified its property taxpayers of the Town's intention to raise its primary property taxes over last year's level. Clarkdale is proposing an increase in total primary property taxes collected from \$288,949 last fiscal year to \$403,892, an additional \$114,943.00.

The proposed tax increase will cause Clarkdale's primary property taxes on a \$100,000 home to increase from \$71.00 (total taxes that would be owed without the proposed tax increase) to \$91.20 (total proposed taxes including the tax increase).

This proposed increase is exclusive of increased primary property taxes received from new construction. The increase is also exclusive of any changes that may occur from property tax levies for voter approved bonded indebtedness or budget and tax overrides.

On June 23, 2009, Town Council adopted the preliminary budget for the Town of Clarkdale which set the maximum limits the Town could spend for fiscal year 2009-2010. All cities and towns in Arizona are subject to some form of expenditure limitation (the amount they can spend in a fiscal year). The Town of Clarkdale has adopted an alternative expenditure limitation in the form of a pure home rule option. This option states that each year the council will, after a public hearing, set the coming year's expenditure limitation (the fiscal year budget).

The final budget of \$33,699,902 includes the expenditures for the following major funds:

General Fund	\$2,556,688
Streets	\$ 556,073
Wastewater	\$ 1,238,395
Water	\$ 3,793,127
Sanitation	\$ 199,752
Capital Projects	\$ 786,252

The budget has a built-in figure of \$23,920,669 for grants that, at this time, we are not aware the Town is receiving. By budgeting for this, if funds are received from grant sources, the municipality will be able to expend these funds.

The public hearing is to allow the public a chance to speak in favor, or against the proposed budget. The complete budget has been published in the newspaper and is available at the Town Hall for inspection. The only deadline for adoption of the final budget is triggered by the statutory adoption date of the third Monday in August of the property tax levy. The property tax levy must be adopted at the August 11, 2009 Council meeting.

Recommendation: This is a Public Hearing only and no action is required.